



Secretary of the Air Force
Office of Legislative Liaison

CONGRESSIONAL HEARING RESUME

106th Congress, 1st Session

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Date: 26 October 1999

SUBJECT: Real Property Maintenance

COMMITTEE: Senate Committee on Armed Services, Readiness Subcommittee

CHAIRMAN: The Honorable James M. Inhofe (R-OK)

MEMBERS:

REPUBLICANS

*James M. Inhofe (OK)
Strom Thurmond (NC)
John McCain (AZ)
Rick Santorum (PA)
Pat Roberts (KS)
Tim Hutchinson (AR)

* Members present at hearing

DEMOCRATS

*Charles Robb (VA) Ranking
Jeff Bingaman (NM)
Robert Byrd (WV)
Max Cleland (GA)
Mary Landrieu (LA)

WITNESSES:

Panel 1

Mr Kwai-Cheung Chan, Director, Special Studies and Evaluations Issues, U.S. General Accounting Office

Panel 2

Mr. Randall Yim, Deputy Under Secretary of Defense (Installations)
Maj General Robert Van Antwerp, Assistant Chief of Staff for Installation Management
Rear Admiral Michael Shelton, Deputy Chief of Naval Operations, Facilities and Engineering Division
Maj General Gary McKissock, Deputy Chief of Staff, Installations and Logistics, USMC
Brig General Earnest O. Robbins II, The Civil Engineer, United States Air Force

Information contained in this resume was obtained during an open hearing. It will not be released outside of the Department of Defense (DOD) agencies until published hearing transcripts have been released by the Committee, and only to the extent it is in accord with published hearing procedures.

Prepared by: Major Lucian Niemeyer

Date: 26 October 99

The hearing was called to order at 1430

EXECUTIVE SUMMARY: The SASC heard first from the GAO who had recently prepared a report critiquing the different facility standards between the Services as well as the lack of any congruence between facility requirements and POM funding.

The second panel took most of the brunt of the questioning. The Committee focused most of their questions on ways to improve the tracking and distribution of O&M funds destined for RPM. Mr Yim of OSD emphasized a possible need for increased oversight of funds expended, but did not support a costly formal tracking system.

Both Senators were surprised to hear that funds from other O&M sources had actually migrated into RPM over the past few years across all Services. Sen Robb asked why? ADM Shelton of the Navy responded that if the POM/budget number is too low to cover requirements, Commanders in the field have the option to fund RPMC projects. Sen Robb followed with a request of the actual costs of delaying critical facility repairs. Gen Robbins responded that costs go beyond increased facility deterioration and into the frustrations encountered by AF personnel, impacting readiness, retention and QOL.

Both senators also asked questions about the funding of repairs to historic facilities and particularly GOQ's with the intention of pursuing alternative methods to avoid tapping into vital MFH readiness/funds, which could be used for more urgent requirements.

Other questions touched upon BRAC (we need another round), housing privatization updates (we're working it) , and status of the \$475M earmarked for European MILCON in the FY99 Emergency Supplemental Bill [\$183M for FY00 MILCON, \$89M for NATO, \$203M left over to fund additional MILCON requirements.

Key Comments, Questions, and Answers

Sen Inhofe - With respect to differing systems in each Service to determine facility conditions, how did the Services diverge? **Mr Yim:** Each Service was given the freedom to develop a system best suited for their commanders and their missions.

Sen Inhofe - Does OSD see a downside to a uniform reporting system? **Mr Yim:** No downside that we can see, other than ensuring consistency

Sen Inhofe - Does one Service do it best? **Mr Yim:** Each Service responds to the needs of its mission with a tailor-made system. Can't say for sure if one Service is doing the best job. Army has great database. AF relates facility requirements directly to mission accomplishment.

Sen Inhofe - Congress would like to craft legislation in FY01 to ensure the proper funding level, facility assessment, tracking and execution of facility repairs. Any suggestions? **Mr Yim:** DoD needs to step forward with a system to track O&M investments. Not sure any legislation is required.

Sen Robb: What's the word from the field? **All Services:** We agree with audit that much frustration exists between the level of requirements and the resulting levels of funding. Money doesn't seem to be going to the most urgent needs.

Sen Inhofe: Have you experienced a migration of funds from other accounts, such as training, into RPM? **All Services:** Yes. **Gen Robbins:** Not necessarily from training, but funds not used from other accounts are lumped into the overall 3400 account and redistributed at years-end to those functions who can execute requirements.

Sen Robb: Didn't all the Services just say that RPM accounts have been shrinking over the past few years, but now you say that funds are migrating back into RPM. Is this inconsistent? **ADM Shelton:** No, not if you consider what is POMed versus what is executed. What is happening is a local commander's realization that what was POMed is not enough and they need to migrate money over to cover unfunded facility requirements

Sen Inhofe: In relationship to BRAC, while I have serious concerns with the politicization of the process, I am also concerned that we may be making decisions about real estate without knowing for sure what force structure changes are needed to respond to new roles and missions. Comments? None

Sen Robb: Can the Services expound upon the notion of "pay me now or pay me later?" Are we exercising any cost avoidance by delaying critical facility repairs. **ADM Shelton:** With the only exception being installation of new technologies, where each delay allows us to install newer equipment and infrastructure, No, cost avoidance is not significant. **Gen Van Antwerp:** Delays just add extra costs and accelerate deterioration. **Gen Robbins:** And it goes beyond actual facility costs into the QOL of the troops, thus impacting morale, retention and recruiting.

Sen Inhofe: Does OSD support the idea of cross-service regionalization and consolidation of RPM allocation and execution. **Mr Yim:** In cases of energy management and utilities privatization, efficiencies can be gained by consolidating Service requirements, but we allow the Services to ultimately decide when this action will benefit the Service.

Sen Inhofe: Turning to historic sites, what can Congress do to limit the impact of the high maintenance costs on historic structure not only to the O&M accounts, but to the vital MFH funds needed to improve housing for our troops? **Gen Robbins:** Two issues at hand, size of MFH unit and historical requirements. Neither is as big an impact for the AF as for other Services.

Sen Robb: Has any cost studies been done to evaluate cost of demolition vs payback? **Gen Robbins:** Somewhat difficult to quantify as the AF demolished relatively easy facilities first and is now faced with more formidable bills to demolish larger and more complicated facilities.

Sen Robb: What is the status of the FY99 Emergency Supplemental Appropriation account of \$475M for European MILCON requirements? **Mr Yim:** OSD has \$203M left after setting aside \$89M for NATO contributions and \$183M for FY00 MILCON

requirements not funded in the appropriations bill.

Sen Robb: Where will OSD source the sizeable NMD MILCON bill recently incurred?

Mr Yim: Will be added to the overall FY01 MILCON topline

Chairman Inhofe thanked all witnesses for their time and commitment.

The hearing concluded at 1630.